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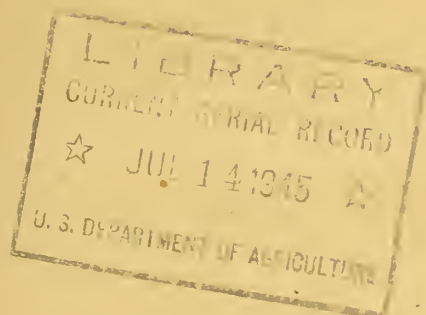
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Foreign Crops and MARKETS



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UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.

L A T E C A B L E S

Canada will reimpose consumer rationing of meats as soon as necessary purchase coupons can be distributed, it was announced by Hon. W. MacKenzie King, Prime Minister, at Ottawa on July 6. Pending the issuance of coupons, Canadian people have been asked voluntarily to reduce their rate of meat consumption. The indicated purpose of the reimposition is to increase the availability of supplies for export to the United Kingdom and liberated European countries, in accordance with recommendations of the Combined Food Board.

General rains have broken the Cuban drought. The worst dry spell Cuba has suffered in 86 years, lasted 8 months and reduced production of sugar and other agricultural commodities. The extent to which the damage can be repaired will depend upon how much rain falls during the remainder of the season. Meanwhile, a serious food supply situation, resulting from the drought, is continuing, with such commodities as meat, canned milk, and lard especially scarce. The Government's efforts to relieve the shortages in these particular items are proving only partially successful.

Cuban grapefruit exports will be small this year, being forecast at no more than 50,000 crates. No exports at all are expected during the month of August and only 30,000 to 35,000 crates in September, the period of reduced duty in the United States. Possibly 15,000 to 20,000 crates will be available for export in early October when the United States duties are seasonally increased. Before the war, Cuban grapefruit exports, virtually all to the United States, averaged around 150,000 crates annually. The low export supply this season is attributed to the poor crop in the Isle of Pines. Growers on that Island are requesting that the United States extend the reduced duty period by 15 days to offset the lateness of the crop. As an alternative, they suggest that ceiling prices until October 15 be set at a level sufficiently high to permit entry even with the increased duty.

Canadian grain prospects were greatly improved by widely scattered rains over the Prairie Provinces at the end of June and beginning of July, according to a telegraphic report from the Dominion Bureau of Statistics, Ottawa. The rainfall checked impending damage in south central and west central Saskatchewan and in central Alberta, according to reports. Further rains were needed in a week or 10 days, as moisture reserves were low. The Edmonton area still required rain, however. Crops were still about 2 weeks late, and warm weather was needed to hasten maturity of late sown grain. Moisture conditions were satisfactory in Manitoba, with wheat averaging about 8 inches, and feed grains about 6 inches. Crops in southwestern Alberta were generally making excellent progress. Hail damage was reported over wide areas between Calgary and Medicine Hat.

ALLIED NATIONS CONTRIBUTIONS TO WAR FOOD SUPPLY 1/

The increasing seriousness of the world food situation has focused attention on the extent to which Allied nations individually have contributed to the food supply needed to win the war. Since the relaxation of restrictions upon publication of production and trade statistics, an answer can be provided for that question as well as for the following:

(1) To what extent Allied nations have expanded exports of food production; (2) how United States food exports during World War II have compared with those of World War I; and (3) where these food exports have gone.

Production trends and food exports of individual Allies varied widely from 1942 through 1944, since some countries were better able to expand their food production than others, and the shortage of shipping facilities necessitated obtaining food from those countries nearest the critical war areas where the commodities were most needed. These factors, plus unusually good weather for production, naturally resulted in an unusually large expansion in food production and in exports from the United States and Canada.

The United Kingdom, however, exceeded other nations in the percentage increase in food production, with the United States ranking second. The United Kingdom's food production increase--66 percent for the 3 years over the 1935-1939 period--was achieved through increasing cultivated acreage about 50 percent, converting much cultivated acreage to feed crops, and greatly restricting the meat and egg output.

By stressing domestic production of food, the United Kingdom reduced greatly the amount of shipping space required to provide necessary food imports, but at the same time became more dependent upon foreign supplies of meats and eggs. The need for expanded production of these commodities in food exporting countries was also increased.

U. S. and Canadian Production Increases: The food production increase in the United States on a calorie basis for the 3 war years was 36 percent over the 1935-1939 period, and in Canada, third in expanded food production, was 30 percent over the prewar period. Because of shortened supply routes, the United Kingdom depended more upon products from the United States and Canada than from the other Allies, especially for more bulky food products such as wheat and other cereals. Both of the countries, mentioned previously, utilized their extensive agricultural resources to expand their production.

Figures on Food Production: Production of food in 11 of the more important food exporting and importing countries during 1942-1944 is shown as a percentage of prewar years in the following table:

1/ A more extensive statement on this subject is available upon request to the Division of Foreign Information and Statistics, Office of Foreign Agricultural Relations.

ALLIED NATIONS: Food production in selected countries,
1942-1944, as percent of prewar average
(1935-1939=100)

Country	Production a/		
	1942	1943	1944 b/
	Percent	Percent	Percent
United Kingdom	158	172	168
United States	133	132	142
Canada	168	93	130
Brazil	127	130	116
Chile	105	112	114
New Zealand	111	103	108
India	100	113	102
Uruguay	100	120	101
Egypt	103	97	100
Argentina	104	125	96
Australia	102	83	68

Office of Foreign Agricultural Relations.

a/ Farm output of food products weighted by calories, from a study of "Wartime Changes in Food Production", Office of Foreign Agricultural Relations, December 1944.

b/ Preliminary.

Factors Determining Individual Contributions: In considering the quantities of food supplied by the Allied countries individually to the war effort, allowance must be made for the relative productive capacity of different countries as well as for the amount of food available after domestic needs had been met.

It would be unreasonable, for instance, to expect New Zealand with less than 2 million population, to supply as much food as the United States with 135 million people. On the other hand, New Zealand is normally a large exporter of food products, where nearly all food normally produced in the United States is consumed domestically, so the per capita food supplied from New Zealand should be greater than from the United States.

It was relatively easy, therefore, for the United States, from a percentage standpoint, to increase its food exports in 1942-1944 over its small prewar export level and still provide larger military and civilian food supplies, whereas for New Zealand to have increased exports by even a small percentage would have required a large expansion in production or a substantial reduction in domestic per capita consumption.

Volume of Exports: The United States led in the volume of food exports in 1942-1944, shipments abroad amounting to 33 percent of the total quantity of those from 10 allied food exporting countries. Canada and Argentina were next with about 17 percent each. The percentage valuation of New Zealand

and Australian exports--about 9 percent--was high, especially when one considers the size of the populations of those countries and the fact that Australia has suffered from a devastating drought.

Changes in food export trade of the different Allied nations were much greater than changes in production. The extent of these fluctuations is shown in Table 2.

FOOD EXPORTS: From selected Allied Nations, 1942-1944,
as percent of prewar and as percent of total

Country	Value of exports a/				Average 1942-1944	
	Prewar:	1942	1943	1944	Percent of prewar	Percent of total
	Million dollars				Percent	Percent
United States c/.....	212	638	950	931	395	33.0
Canada.....	217	288	415	529	189	16.2
Argentina	548	418	420	490	81	17.4
Brazil	230	168	174	195	78	7.1
Uruguay	58	38	49	40	73	1.7
Chile	10	8	8	8	78	.3
Australia	272	206	214	268	84	9.0
New Zealand	242	249	226	214	95	9.0
India	196	145	146	-	74	d/ 5.7
Egypt	24	16	14	-	62	d/ .6

Official sources.

a/ Exports of each country valued at average 1935-1939 prices of products exported by the United States; commodities not exported valued at United States import prices for same period.

b/ Either 1934-35 to 1938-39 fiscal years or 1935-1939 calendar years.

c/ Includes value of feed grains exported mainly to the United States.

d/ Based on a two-year average.

Comparison with World War I: Though exact measures of comparison are not available, indications are that the United States total food output has expanded much more during World War II than during World War I. From 1909-1913 to 1918 the increase was about 16 percent, whereas from 1935-1939 to 1944 it amounted to about 38 percent. Food exports also increased more sharply in World War II, but the per capita supplies of food remaining for civilians, after deducting exports and military needs, was greater during 1942-1944 than before the war, or in World War I, although there were shortages of some commodities.

Export Trends: While exports of most essential foods from the United States increased sharply in 1942-1944, exports of cereals, which have been in abundant supply, declined. Overseas shipments of meats, eggs, and dairy products before World War II were insignificant, and the percentage increase in exports of these commodities has been phenomenal. Meat and egg exports in 1943 were 22 times as large as in the prewar period, while the outflow of dairy products increased 35 times. Fats and oils exports soared.

In the prewar period, about half of United States food exports was in the form of grain; and the wartime drop in grain exports has largely offset, especially in terms of calories, the increase in exports of meats, dairy products, and fats and oils.

Although increased United States food exports in 1942-1944 necessitated rationing of many food products and reduced domestic consumption somewhat below the level it otherwise would have reached, they played a vital part in the war effort. About 90 percent of the exports were under Lend-Lease.

Who Got the Food: From the beginning of Lend-Lease in March 1941 through 1944, over 61 percent of Lend-Lease food shipments went to the United Kingdom; about 29 percent to Russia; about 5.7 percent to the North African-Middle Eastern-Mediterranean area, 3.2 percent to the China-India area, and less than 1 percent to other countries. Meanwhile, under reverse Lend-Lease, sizeable quantities of food were supplied to United States armed forces by Australia, New Zealand, and other countries.

Most of the fresh and cured meats, eggs, cheese, and miscellaneous dairy products exported by the United States have gone to the United Kingdom to offset the loss of imports of these products from Denmark, the Netherlands, and Switzerland. On the other hand, quantities of canned meat, fats and sugar went to Russia to help offset loss of these products following German occupation of the Ukraine.

C. M. Purves

COMMODITY DEVELOPMENTS

GRAINS, GRAIN PRODUCTS, AND FEEDS

EUROPEAN GRAIN OUTLOOK UNFAVORABLE

The outlook for grains in Europe this season is the poorest of the entire war period. Outturns below any other recent year and well below average are expected for the Continent as a whole, excluding the Soviet Union. Both food and feed grain harvests are expected to be reduced, with wheat particularly unfavorable. Factors contributing to the poor crop outlook are: (1) Severe drought in much of the Mediterranean area; (2) reduced seedings in most of the war affected regions; (3) land reform programs, notably in eastern Europe; (4) lack of fertilizers, with both direct and cumulative effect on yields; and (5) other reasons particularly affecting production in local districts.

The situation varies from country to country. Best crop prospects are in northern Europe while the least favorable outlook is in the Mediterranean area. Drought in the Mediterranean region has taken a heavy toll in the wheat and barley crops of French North Africa, in wheat

in Portugal, Spain, central and southern Italy, and parts of the Balkans. Reduced seedings in France, Netherlands, central and eastern Europe, along with lack of fertilizers, are expected to give the smallest outturns experienced in these areas in many years. Land reforms extensively introduced into Poland, the Baltic States, Hungary and other sections of the Balkans, parts of Czechoslovakia, and eastern Germany during the crop season also appear to be having a disruptive effect upon crop production.

Better Prospects: Northern Europe, especially Denmark and Sweden, and Switzerland are the principal countries on the Continent with about normal crop indications. The outlook in the United Kingdom continues better than the prewar average, but is less favorable than last year. The Soviet Union is the only important country with grain seedings reported much above 1944. The bread grain acreage in that country appears to be back to about prewar levels, with a possibility of harvesting the best crop since 1940, especially if about-average yields are obtained.

CANADA DISCONTINUES OAT EXPORT PERMITS

The Canadian Wheat Board has announced that issuance of export permits for oats, except mixed feed oats, and oat products was to be discontinued temporarily, as of June 28. The move was made at the request of the Agricultural Supplies Board, according to the announcement, in order to survey the stocks situation, with the purpose of assuring market supplies, until the new harvest. U. S. imports of oats from Canada during July-April, of the current season, amounted to more than 57 million bushels, compared with 48 million bushels during that period, a year ago. Shipments during May and the first half of June amounted to about 6 million bushels.

EGYPTIAN RICE ACREAGE INCREASED

The prospective acreage for the 1945 Egyptian rice crop is estimated at 694,000 acres, compared with the final estimate of 643,000 last year, and the record of 698,000 in 1942. As the water supply from the Nile River increased during May, additional permissions to plant rice raised the acreage to a total exceeding that of a year ago, even though during April it appeared as if the area would be the smallest since 1937. Providing normal weather conditions prevail this season, the exportable surplus for the 1945 rice production may equal or exceed that from the 1944 crop, or from 330 to 350 million pounds of milled rice.

INDIAN RICE CROP SMALLER

The 1944-45 Indian rice harvest, according to preliminary data from Indian Provinces and States, is indicated to be about 10 percent less than the record production of last year. The crops for officially reported

areas, representing about nine-tenths of the total, plus an average production for unreported areas, would give a return of around 2 billion bushels (60 billion pounds milled), compared with about 2.2 billion bushels (66 billion pounds) a year ago. The second all-India rice acreage forecast for 1944-45 placed the total area planted at 77,150,000 acres, an increase of 1 percent, as compared with 76,558,000 in the corresponding revised estimate for 1943-44.

VEGETABLE OILS AND OILSEEDS

PARAGUAYAN VEGETABLE OIL DOUBLE PREWAR OUTPUT

Paraguay's vegetable oil production from domestic oilseed in 1944 amounted to 6,550 short tons, an increase of 14 percent over that of 1943, and more than double the output of prewar years. Cottonseed oil accounted for 72 percent of the total with coconut oil second in importance. Production of the latter, however, was much below the average of recent years, due to the severe drought in 1944.

All of the cottonseed and peanut oil, approximately half of the coconut and palm oil, and a portion of the castor oil were consumed within the country. Foreign market offerings were favorable for coconut and palm oil and to a lesser degree for tung oil. Castor oil prices, however, dropped sharply because of Brazilian competition.

PARAGUAY: Vegetable oilseed crushings and oil production, 1943 and 1944

Commodity	1943		1944	
	Material	Oil	Material	Oil
	consumed	produced	consumed	produced
	Short tons	Short tons	Short tons	Short tons
Cottonseed	15,991	1,795	27,220	3,251
Peanuts	4,012	811	3,620	854
Copra	3,887	2,211	2,619	1,371
Palm nuts	2,600	440	2,732	475
Castor beans	1,032	412	1,491	539
Tung	207	52	173	50
Flaxseed	-	-	45	10
Total	27,729	5,721	37,900	6,550

Compiled from official sources.

FRUITS, VEGETABLES, AND NUTS

CUBAN POTATO HARVEST SHOWS INCREASE

The 1944-45 Cuban potato crop, which was harvested from December to May, was a good one, being estimated at 2,167,000 bushels. This is larger than the 1943-44 crop which yielded about 1,667,000 bushels. The average production for the 5-year period from 1938-39 to 1942-43 is reported at around 1.8 million bushels.

Cuba normally produces about two-thirds of her annual requirements of around 2.5 million bushels and imports the remainder mostly from the United States. At present, consumption is on the increase and it is expected that Cuba will need to import about 833,000 bushels from the United States during the remaining months of 1945.

Most of the domestic requirements are supplied by local production from December through July. From August to November requirements are filled by the United States. During this off-season period United States potatoes enjoy a reduced import duty paying about 54.6 cents per bushel. United States potato imports from November 1 to June 30 are subject to a duty of about 1.09 cents per bushel or double the off-season rate. Practically no food potatoes are imported during this period. Seed potatoes are duty free if they are certified and imported between September 1 and January 31.

The increased demand for potatoes in Cuba during 1945 is brought about by expanded purchasing power and by the scarcity of other starchy foods which normally supply a large part of the diet of the working classes. The 1945 yield of cassava, sweet potatoes, and plantains was greatly reduced by the hurricane of October 1944 and the severe drought which followed it. The drought was the most prolonged of any in 86 years but did not affect potato production as much as other starch crops because potatoes are produced under irrigation. During prewar years Cuba exported small quantities of early potatoes to the United States. This was done during December, January, and February when they entered under reduced United States duty. Since the war, due to increased domestic demand and shipping difficulties exports have practically ceased.

Prices of imported eating potatoes prior to 1941 averaged about \$1.11 per 100 pounds c.i.f., Habana, plus import duty and other charges amounting to about \$1.00 per 100 pounds. The price has risen sharply during the past 3 years until in 1944 average c.i.f., Habana, import value was \$3.28 per 100 pounds plus about \$1.10 duty and port charges. Ceiling prices were established in September 1945 for imported potatoes at 7 cents per pound wholesale, and 8 cents per pound retail. Domestic potato prices were set at from 4.5 to 6 cents per pound depending on quality, but the price since then has been increased to about 7 cents per pound.

The relatively high prices prevailing for potatoes and the scarcity of other foods indicate that there will be a larger acreage planted during the coming season. This will call for an increased demand for seed potatoes, fertilizer, and spray material.

COTTON AND OTHER FIBERS

EGYPT'S COTTON ESTIMATE RAISED

The third official estimate placed the 1944 cotton crop in Egypt at 52,000 equivalent bales (of 478 pounds net) from 885,000 acres, as

compared with a second estimate of 929,000 bales from 890,000 acres. This exceeds the 1942 and 1943 crops of 877,000 and 740,000 bales, respectively. About 73 percent of the 1944 crop was composed of cotton with a staple length of 1-3/8 inches or more and 24 percent was 1-1/8 to 1-1/4 inches (mostly Ashmouni).

Acreage restrictions were moderated for 1945 to permit the planting of an area estimated unofficially at about 935,000 acres. Water for irrigation is plentiful this year and the condition of the growing crop is normal except for slight damage in some areas from excessive rainfall in May.

Exports during May totaled 84,000 bales, mostly to India and the United Kingdom, with smaller quantities to the European Continent and the United States. Exports during September 1, 1944, to May 31, 1945, totaled only 524,000 bales compared with 667,000 bales for the corresponding period in 1943-44. The decline is due almost entirely to reduced exports to the United States. Prospects for increased exports in June and subsequent months appeared good as government restrictions on the movement of Egyptian cotton into Europe and the United States were expected to be moderated to some extent and other difficulties associated with the war are gradually being overcome.

WEEKLY COTTON PRICES ON FOREIGN MARKETS

COTTON: Price of certain foreign growths and qualities
in specified markets, converted at current rates of exchange

Market location, kind, and quality	Date 1945	Price per pound	Date 1945	Price per pound
		Cents		Cents
Alexandria (spot)	:	:	:	:
Ashmouni, F.G.F.	6-14	25.47	6-21	25.47
Giza 7, F.G.F.	6-14	33.41	6-21	33.41
Karnak, F.G.F.	6-14	32.57	6-21	32.57
Bombay (July '45 futures)	:	:	:	:
Jarila	6-14	15.98	6-22	16.06
Bombay (spot)	:	:	:	:
Kampala, East African	6-14	32.66	6-22	32.66
Buenos Aires (spot)	:	:	:	:
Type B	6-16	17.56	6-23	17.56
Lima (spot)	:	:	:	:
Tanguis, Type 5	6-16	15.47	6-23	15.47
Recife (spot)	:	:	:	:
Mata, Type 5	6-15	12.68	6-22	12.68
Sertao, Type 5	6-15	13.50	6-22	13.50
São Paulo (spot)	:	:	:	:
São Paulo, Type 5	6-15	14.90	6-22	14.82
Torreón (spot)	:	:	:	:
Middling, 15/16"	6-18	18.11	6-23	18.01

Compiled from weekly cables from representatives abroad.

Correction: Plantings of abaca, mentioned in the paragraph on Honduran fiber production in the July 2 issue of Foreign Crops and Markets (page 10), reached a total of about 5,000 acres by the end of 1943, instead of by 1942 as previously stated.

TOBACCO

TOBACCO INDUSTRY IN BAHIA PROSPERS

In recent months the tobacco industry in the State of Bahia, Brazil, has enjoyed one of the most prosperous periods in its history. Heavy export demand, with 95 percent of the crop reported as purchased for shipment principally to Spain and Argentina, has raised prices for leaf far above the prewar levels and has encouraged growers to plan larger acreages for the 1945-46 crop. In 1944-45, the cutturn of leaf tobacco is estimated at 57.9 million pounds, as compared with 56.4 million pounds produced in Bahia during 1943-44. Most of the tobacco grown in Bahia consists of dark air-cured and cigar types.

Prices paid to farmers for leaf of the 1943-44 crop averaged about 6.9 cents per pound. Prices for 1944-45 crop leaf have ranged from 8.0 to 9.3 cents per pound. These prices contrast sharply with the average of 1.5 cents received by growers in 1940.

Leading Exporter: Bahia produces most of Brazil's export supplies of leaf tobacco. Prewar exports principally to Northern European countries averaged about 60 million pounds annually. During the war, Spain and Argentina have been the chief customers and probably will continue to be the largest markets for some time to come. Exports during the first three months of 1945 totaled 36.3 million pounds of which 30.2 million were destined for Argentina.

BAHIA: Exports of leaf tobacco to specified countries,
average 1937-1939, annual 1940-1944

Country	Average : :1937-1939:	1940	1941	1942	1943	1944
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>
Germany....	20,115	104	-	-	-	-
Netherlands:	20,595	5,251	-	-	-	-
France.....	2,003	-	-	-	-	-
Sweden	779	-	880	1,175	4,459	1,706
Spain	1,744	4,632	15,397	22,158	14,452	39,542
Switzerland:	3	-	2,484	1,164	279	1,599
Argentina ..	10,824	10,891	12,323	13,149	11,773	11,141
Uruguay ...	2,997	6,288	4,580	1,397	1,237	1,316
Others	1,802	2,930	1,375	718	761	528
Total.....	60,862	30,096	37,039	39,761	32,961	55,832

Compiled from consular sources. Shipments to other Brazilian States not included.

SOUTHERN RHODESIA'S TOBACCO PRODUCTION INCREASES

The flue-cured tobacco crop for 1944-45 in Southern Rhodesia is estimated at about 45 million pounds, or an increase of 45 percent above the 1943-44 crop of approximately 31 million pounds. Production of flue-cured tobacco during the 5 years 1938-39 through 1942-43 averaged 33.7 million pounds. Although the Union of South Africa imported about 11 million pounds of flue-cured leaf of the 1943-44 crop, reports indicate that the bulk of the 1944-45 outturn will be exported to the United Kingdom.

The Turkish tobacco crop for 1944-45 is estimated at nearly 4 million pounds, about double the 1943-44 production, but nearly 1 million pounds below early season estimates. Trade interests in Rhodesia are hopeful that they will be able to dispose of most of the 1944-45 Turkish crop in the United States market.

LIVESTOCK AND ANIMAL PRODUCTS

SOUTH AFRICAN WOOL STOCKS LARGE

Wool stocks in the Union of South Africa have continued to accumulate during the current season. Although exports on a grease basis for the entire season may be about three times the unusually small shipments made in 1943-44, they are much below the prewar average.

Total apparent supplies for the season ended June 30, including large wartime accumulations at the beginning of the season, were estimated at approximately 610 million pounds. Exports and consumption during the season ended June 30, 1945, are estimated at about 270 million pounds so that carry-over of stocks on June 30 into the 1945-46 season may be at least 450 million pounds and possibly larger.

Wool production in the Union of South Africa in 1944-45 (July-June) is still estimated at 240 million pounds or 4 percent below 1943-44. These estimates include relatively small quantities of wool produced in adjoining British colonies and exported through Union ports.

Receipts at Union ports are normally a significant indicator of production, but these have not been made available during wartime. Receipts generally have been smaller this season, however, according to reports. They were fairly heavy in the early part of the season due to good shearing conditions, but have been small since the first of the year. Dry weather conditions affected the fall (March-April) shorn or short wool clip adversely in certain areas. Rain was needed everywhere to improve prospects for the 1945-46 season, beginning July 1.

Production Down: Since the beginning of the war, a declining tendency in wool production has been noted. Sheep numbers at the time of the last enumeration in August 1943 were reported at 37,888,000 or 8 percent below

the 1940 estimate. Slaughter of sheep and lambs was unusually heavy in 1941-1943, but in 1944 fell off considerably. As a result of high meat prices, large numbers of breeding ewes were sold for slaughter in the dry winter of 1942.

Declared exports of wool to the United States from the Union from July 1 to May 31 (1944-45) totaled 21 million pounds, an increase of 2 percent above the corresponding period of 1943-44. The bulk of South African wool goes to the United Kingdom at present. Before the war, however, Germany was the most important purchaser through a barter agreement which was in force for several reasons.

URUGUAYAN WOOL SHIPMENT TO UNITED STATES LARGEST ON RECORD

Uruguay shipped 127 million pounds of wool to the United States during the first 9 months (October to June) of the 1944-45 season, according to cabled reports. This was 87 percent more than such shipments during the corresponding period of the preceding season and the largest exports to the United States on record. Furthermore, there were still 45 million pounds already purchased by buyers in this country still awaiting shipment on June 30.

Provided these purchases are exported within the next 3 months, the Uruguayan carry-over will be much smaller on September 30 this year than the record quantity of 80 million pounds reported on hand on September 30, 1944.

Approximately 97 percent of the 131 million pounds shipped from Uruguay to all countries in the period October 1 to May 31 was to the United States. The only other exports of any volume were 3 million pounds to Sweden.

DROUGHT REDUCES RIO GRANDE DO SUL CATTLE SLAUGHTER

Continued drought in the State of Rio Grande do Sul during May has curtailed slaughtering operations considerably. Although rains in the first half of the month benefited pastures, they were not sufficient to fill water holes for cattle. Grazing conditions were better in the northern than in the southern part of the State.

Cattle slaughter in Rio Grande do Sul for charque (dried beef) and frozen and canned beef for shipment to other Brazilian States and for export was estimated at 508,000 head for 1945, compared with 583,000 head in 1944. The Meat Institute of Rio Grande do Sul, which controls packing house slaughter in this State, stopped slaughtering for charque on June 15 and for frozen and canned meat on June 30. Slaughter for charque is estimated at 400,000 head this year, that for frozen beef at 48,000 head, and that for canned meat at 60,000 head, or 508,000 head in all.

CUBAN DAIRY PRODUCTS OUTPUT CONTINUES LOW

Reduction in output of Cuban milk and dairy products, due to a prolonged drought, may continue through 1945. Despite some rainfall in May, and the seasonal upturn in milk production, lack of rain during the summer would continue to affect canned milk and butter production. Total milk production for the first half of 1945 is about two-thirds of last year's output for the same period, and only about one-half that of the same period in prewar years. The effect of the reduced output was felt most in the production of condensed and evaporated milk, dependent almost entirely upon herds in the drought-stricken area.

Rainfall in the months of October 1944 to April 1945 is estimated at 23 percent of normal, with the result that pasture conditions in March and April, Cuba's dry season, were extremely poor.

This year, when lack of feed caused milk output, largely obtained from dual-purpose cows, to drop from the normal daily production of 3 to 4 quarts to 1 or 2 quarts, many producers stopped milking, thus intensifying an already tight situation.

During April, only one of Cuba's three condensing plants was in operation. In the first half of 1945, the production of canned milk was only 157,000 cases, compared with 239,000 cases for the first half of 1944. Butter, cheese and dried milk production were below normal in the first 6 months of 1945.